



CF&I STEEL CORPORATION

A subsidiary of Crane Co.

P.O. Box 316

Pueblo, Colorado 81002

May 3, 1985

Mr. Ronald W. Daniels
Associate Director, Mining
State of Utah Natural Resources
Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED

MAY 06 1985

DIVISION OF OIL
GAS & MINING

Dear Mr. Daniels:

I am sending to you this date a copy of a Mining Lease Agreement between CF&I Steel Corporation and United States Steel Corporation for the mining of ore at the Comstock Pit, ACT/021/005, Iron County, Utah.

This Agreement is for a year with an option to renew for one more year. Under the terms of the Agreement, CF&I will continue to be responsible for all land reclamation liability, and as such, will continue with bonding.

Our new address for the Comstock, Utah operation is 11148 West Highway 56, Cedar City, UT 84720; and the telephone number is 801 586-0328. Mr. F. L. Woolsey will be the Resident Engineer as he has been in the past.

If you have any questions, feel free to call me at 303 561-6623.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'R. W. MacCannon'.

R. W. MacCannon
General Superintendent
Mining Operations

RWM:as
Enclosure

COPY

MINING LEASE

from

CF&I STEEL CORPORATION, Lessor

to

UNITED STATES STEEL CORPORATION, Lessee

dated

April 1, 1985

TABLE OF CONTENTS

<u>Section No.</u>	<u>Title</u>	<u>Page</u>
	Granting Clause	1
1	Lessor's Covenants of Title	2
2	Purpose	3
3	Definitions	3
4	Reservations	4
5	Relative Mining Rights, Privileges and Duties of the Lessor and the Lessee	4
6	Manner of Mining; Wasting	5
7	Placing of Stockpiles and Waste Dumps on Demised Premises	6
8	Royalty	7
9	Annual Minimum Royalty	7
10	Place of Payment of Royalty	8
11	Weighing, Reports of Shipments	8
12	Contract Operator	9
13	Use of Demised Premises for Cross- Mining	9
14	Use of Other Lands for Cross-Mining	9
15	Ore Stockpiled on Other Land to be Shipped Before Termination	10
16	Lessor's Right to Enter and Inspect Lessee's Operations	10
17	Lessee to Protect Title	11
18	Indemnities	11
19	Arbitration	11
20	Disputes or Differences Not to Inter- rupt Performance of Lease	13
21	Lessee's Option to Extend Lease	13
22	Lessee's Right to Remove Equipment Upon Termination of Lease; Lessee to Surrender Possession	14
23	Compliance with Laws; Environmental Requirements	14
24	Taxes	15
25	Addresses	15
26	Mailing of Payments, Reports and Notices	16
27	Assignment or Sublease	16
28	Lease Runs with the Land and Binds Assignees	17
29	Law Governing	17
30	Entire Agreement	17
31	Section Headings	17

MINING LEASE

THIS LEASE, made and entered into as of the 1st day of April, 1985, by and between CF&I STEEL CORPORATION, a Colorado corporation ("Lessor"), and UNITED STATES STEEL CORPORATION, a Delaware corporation, ("Lessee").

W I T N E S S E T H

The Lessor, for valuable consideration to it paid by the Lessee, the receipt whereof is hereby acknowledged, and in further consideration of the rent and royalties to be paid and the covenants, conditions, and provisions hereof on the part of the Lessee to be kept, performed, and observed as herein provided, does hereby let, lease, and demise unto the Lessee, its successors and assigns, for the purposes herein set forth, subject to the limitations and reservations herein provided, all of the rights, titles, and interests of the Lessor in and to the following described nine patented mining claims and lands adjacent thereto that are outlined in pink on the map attached hereto as Exhibit A-1 which is incorporated herein (hereinafter referred to as "demised premises"), situated and being in the County of Iron and State of Utah, to wit:

<u>Patented Mining Claims</u>	<u>Survey Lot Number</u>
Emma	4434
Black Dwarf	4701
Strip	4701
Sunbeam	4434
Comstock	4434
Copper Fraction	4701
Wellington	4701
Emma Mine No. 1	4907
Dickman	5003

the locations of which patented claims are generally depicted on the map attached hereto as Exhibit A-2, being known as the Comstock Mine and lands contiguous thereto, together with all and singular the hereditaments and appurtenances thereunto belonging or in anywise appertaining, including all mining rights,

interests and estates of the Lessor in and to said lands, and all right, title, interest, and estate of the Lessor, under or by virtue of or in connection with all easements, licenses, rights of way, leases of surface use and other like rights heretofore granted on, over or with respect to said lands or any part or parts thereof.

TO HAVE AND TO HOLD the demised premises unto the Lessee until and including March 31, 1986, and then at the option of the Lessee, to be exercised as herein provided, for one successive additional term of one (1) year, for the purposes and upon and subject to the terms and provisions herein provided or referred to.

Section 1 - Lessor's Covenants of Title

It is agreed that this lease is granted by Lessor and taken by Lessee subject to any and all easements, licenses, and leases for public highways, railroad rights of way, electric transmission or telephone lines and auxiliary facilities, and natural gas pipelines and auxiliary facilities now located upon the demised premises.

The Lessor hereby covenants unto and with the Lessee that it is lawfully seized in fee simple of the demised premises and that the said lands are free and clear from all encumbrances except as aforesaid; that the Lessor has good right to lease the same in the manner and form aforesaid; and that the Lessee, its successors or assigns, keeping, performing, and observing each of the agreements and conditions to be kept, performed, and observed by it as herein provided or referred to, the Lessor, its successors and assigns, shall warrant and defend the Lessee, its successors and assigns, in the quiet and peaceable possession of the said lands, subject to the matters above stated or referred to, for the uses and purposes herein provided or referred to, during the continuance of this lease, against all persons lawfully claiming or to claim the whole or any part thereof.

Section 2 - Purpose

The demised premises are hereby leased as aforesaid for the purpose of granting to the Lessee, subject to the limitations, reservations and provisions provided for herein, the non-exclusive right to drill, test pit, and do such other acts thereon for the purpose of ascertaining the characteristics of the iron formation materials therein, and to mine, remove and dispose of, for its own account, iron ore in or on the patented mining claims listed above, together with the rights and privileges to cave the surface of the said lands, to make any or all use of the said lands and thereon or therein to place, erect, construct, maintain and use all such buildings, plants, structures, railroads, roadways, pipe lines, equipment and facilities, and to make all such excavations, openings, ditches, drains, improvements and changes, all as the Lessee will deem necessary or useful for any of the purposes aforesaid or for any subsidiary purposes connected therewith.

As to that portion of the demised premises outside the patented mining claims, Lessee shall have the non-exclusive right to use said lands for all purposes set forth herein except the rights to drill, test pit or do other acts for the purpose of ascertaining the characteristics of iron formations therein or to mine iron ore therefrom. Any uses of said portion of the demised premises outside the patented mining claims which involve construction of facilities or alteration of the surface of said lands shall be subject to the prior approval of the location of same by Lessor, which approval shall not be unreasonably withheld, and any use of such premises by Lessor shall be accomplished in such a manner as not to interfere unreasonably with the operations of Lessee permitted hereunder.

Section 3 - Definitions

Wherever used in this lease, the following terms and words shall be understood to mean as follows:

The term "iron ore" shall be taken to mean all material containing at least 45% Fe, dry basis, as determined by sample drilling or sampling of blast hole cuttings.

The term "lean ore" shall be taken to mean material containing between 30% and 45% Fe, dry basis, as determined by sample drilling or sampling of blast hole cuttings.

The term "waste" shall be taken to mean material containing 30% Fe or less, dry basis, as determined by sample drilling or sampling of blast hole cuttings.

The terms "ship", "shipped" and "shipment" shall each be taken to refer to the transportation of the iron ore produced from the demised premises to the place of use or consumption thereof by Lessee or to a customer of Lessee. Said terms shall not include any transportation of same to locations where it will be merely processed or stockpiled.

The word "ton" shall be taken to mean a net ton of two thousand (2,000) pounds avoirdupois.

The term "first lease year" shall be taken to mean the period from the effective date of this lease through March 31, 1986, and the term "second lease year" shall be taken to mean the period from April 1, 1986 through March 31, 1987, either of which shall be termed a "lease year".

Section 4 - Reservations

Except as may otherwise be explicitly provided in this lease, the Lessor reserves the non-exclusive right to perform all the acts authorized to the Lessee under this lease; provided, however, that at all times during the continuance of the said mining lease there shall remain available to Lessee in the demised premises a sufficient quantity of iron ore in mineable deposits that will permit the Lessee to mine its minimum tonnage obligation and provided further that Lessor shall not have the right to further lease the demised premises for the same purposes during Lessee's tenure hereunder.

Section 5 - Relative Mining Rights, Privileges and Duties of the Lessor and the Lessee

Neither the Lessor nor the Lessee shall owe any duty to the other party, either expressed or implied, to open up or develop or to continue to operate any mine or mines in the demised premises.

The Lessor and the Lessee agree to conduct each of its respective exploration and mining operations in the demised premises in such manner so as not to hinder or interfere,

unreasonably, with any exploration or mining operations of the other party in the demised premises.

The Lessee shall furnish to the Lessor reports of all the Lessee's exploration activities on the demised premises in accordance with the provisions of this lease. The Lessor shall furnish to the Lessee reports of the Lessor's exploration activities on the demised premises when such information is requested by the Lessee.

The mining operations of the Lessor and of the Lessee in the demised premises shall be independent operations, except as the parties may contract otherwise with each other, and neither party shall have any liability to share with the other party the profits of its respective mining operations by reason of, or arising out of, their relationship of co-tenants in the demised premises.

Section 6 - Manner of Mining; Wasting

The mining of the ore and all the work and operations hereunder by or under the Lessee shall be conducted and carried on in such manner only as is usual and customary in skillful and proper mining operations of similar character elsewhere conducted in the Western United States, and in accordance with the requirements of good engineering, and so as not to do, cause, or permit, except as may be reasonably necessary in the skillful and proper mining of such ore, any unusual permanent waste or injury to the demised premises so as to interfere with the subsequent operations thereof for mining purposes. If the Lessor will serve written notice upon the Lessee objecting to any specific practice of wasting ore, the Lessee shall immediately cease said practice until such time that the Lessor concurs, or that it be established by arbitration as hereinafter provided, that such specific practice is permissible. It is understood, however, that nothing herein shall be construed to require Lessee to open up or develop or to continue to operate any mine or mines in the demised premises.

All mining performed by Lessee hereunder shall be conducted in conformity with the master pit plan, which is attached hereto as Exhibit C and incorporated herein, and with any reasonable instructions issued by Lessor's General Superintendent of Mining Operations for the protection of surface features and improvements. Lessee in any mining operations conducted hereunder shall strip an amount of waste and lean ore from each lift mined at least equal to the projected stripping ratio ("S/R") for the lift being mined as shown on Exhibit B attached hereto, which is incorporated herein; provided however that Lessee shall not be required in any case to exceed a stripping ratio of .26 yards of waste and lean ore (combined) per natural ton of iron ore. Should Lessee fail to follow the requirements stated in this paragraph or those of the following Section 7, Lessee may take such remedial action as is necessary to correct any deficiencies and shall be reimbursed for same by Lessor.

Section 7 - Placing of Stockpiles and Waste Dumps on Demised Premises

Iron ore, lean ore and waste materials encountered by the Lessee in its mining operations hereunder may be deposited upon areas of the demised premises approved in advance by the Lessor and in such manner as reasonably required by Lessor so as to comply with Lessor's licenses and permits for such facilities and so as not to interfere with the future operation of any mine or mines thereon.

Lessor hereby approves of Lessee's depositing lean ore on the dump on the demised premises shown on Exhibit A-1 as "Lean Ore Dump" and Lessee's waste depositing on the dump on the demised premises shown on Exhibit A-1 as "Present Waste Dump". Title to all lean ore and waste materials stockpiled in said dumps or any other locations approved by Lessor shall remain in Lessor.

Section 8 - Royalty

The Lessee agrees to pay royalty to the Lessor on or before the last day of each calendar month at the rate hereinafter provided, with respect to all iron ore derived from the demised premises that will have been shipped by the Lessee during the preceding calendar month. Lessor will invoice Lessee for said amount on or about the first day of each month based on reports of shipments provided by Lessor pursuant to Section 11.

The rate of royalty per natural ton of iron ore shall be [REDACTED] for ore shipped during the first lease year and [REDACTED] for ore shipped during the second lease year.

Section 9 - Annual Minimum Royalty

The Lessee covenants and agrees that during the continuance of this lease, for each full lease year that the lease is in effect, it shall pay to the Lessor, as rent for the demised premises or as royalty for ore shipped, an annual minimum rental or royalty equivalent to the royalty payable with respect to 100,000 tons of iron ore. If with respect to any lease year the payment of royalty made pursuant to Section 8 shall be less than the amount stated in the preceding sentence, then the Lessee shall pay the Lessor the amount of said deficiency within sixty (60) days following the end of said lease year.

If Lessee is rendered unable by reason of force majeure to mine or ship or use at its steel production plant at or near Geneva, Utah, 100,000 tons of iron ore during any year of this lease, portions prorata, the foregoing obligation to pay minimum rental or royalty shall be reduced to the extent of said inability. The term "force majeure" as used herein shall mean an act of God, labor shortage, strike, lockout or other labor dispute, act of public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, governmental restraint, transportation delay, unavailability of equipment, embargo, and any other cause, whether of the kind specifically enumerated

above or otherwise, which is not reasonably within the control of Lessee.

Section 10 - Place of Payment of Royalty

The several payments of royalty herein required to be made to the Lessor shall be made in lawful money of the United States of America or by checks delivered in the usual course of business to the Lessor at such address, or at such bank, as the Lessor may from time to time designate by written notice to the Lessee. Any bank or banks so designated shall be deemed the agent of the Lessor for the purpose of receiving, collecting and receipting for such payments.

Section 11 - Weighing, Reports of Shipments

The Lessee shall cause to be weighed all ore derived and shipped from the demised premises. Lessee shall report to Lessee's General Superintendent of Mining Operations on a weekly basis, in writing, the weights of all ore shipped pursuant to this lease and shall provide in support thereof all rail car or truck numbers and weight ticket information or copies of weight tickets.

Weighing of shipments shall be done by the railroad company transporting the same, upon its regular scales, or by the Lessee upon platform scales or a belt weighing device or other weighing device in practical use now or hereafter in connection with mining, processing or handling operations, that may be installed by the Lessee either upon the demised premises or upon other lands conveniently located at or near a place of stockpiling or at the Lessee's steel production plant at or near Geneva, Utah. The Lessor and the Lessee shall each have the right to inspect, review, and test the correctness of said railroad company's scales and weights, and of the other scales or weighing devices installed by the Lessee and the weights shown thereby, and the manner and method of weighing, at any time and in such manner as they may respectively see fit to adopt, it being understood that any errors in these respects, when ascertained, shall be promptly recognized and corrected.

Section 12 - Contract Operator

Lessee may conduct mining and other operations hereunder by employing contractors of its choice; provided however that Lessee shall remain fully liable for the faithful performance of all terms and conditions of this lease.

Section 13 - Use of Demised Premises for Cross-Mining

The Lessee is hereby granted the rights during the continuance of this lease to use the demised premises for any purpose auxiliary to the carrying on of any mining operations in any other lands and for the enjoyment of such other cross-mining rights as may be necessary or convenient from time to time in the conduct of any such mining operations.

If the Lessor's ownership in fee or leasehold of any part of the demised premises should be less than the whole thereof, the foregoing rights and privileges granted by the Lessor by this Section 13 shall be construed and applied as to such parts of the demised premises within the limitations of the Lessor's ownership of only such undivided interests less than the whole thereof.

Section 14 - Use of Other Lands for Cross-Mining

The Lessee may mine, remove, and transport any and all ore and waste materials from the demised premises over or across other lands, by any means whatsoever, and may stockpile any ore from the demised premises upon stockpile grounds situated upon other lands. Except as herein otherwise provided, all such ore from the demised premises so stockpiled upon other lands shall at all times be kept entirely separate and distinct from any ore removed or derived from other lands, until the same will have been weighed. The respective rights and interests of the Lessor and the Lessee in and to any ore from the demised premises so stockpiled upon other lands shall not be divested by the removal thereof from the demised premises, and unless such other lands are owned by the Lessor, the Lessee shall first secure from the owner or owners of such other lands a written agreement properly

recognizing and fully protecting and preserving the rights and interest of the Lessor in and to such ore; provided, that if the Lessee is the owner of such other lands, such written agreement shall be granted by the Lessee upon the termination, in any manner, of this lease as to such ore then in stockpile on such other lands.

It is understood that the removal of any ore from the demised premises to other lands for stockpiling shall not be treated as a shipment thereof so as to require the payment of royalty thereon, but royalty upon such ore so removed and stockpiled upon such other lands shall become due and payable only if and when the same will be removed from such stockpile and shipped as provided in this lease.

Section 15 - Ore Stockpiled on Other Land to be Shipped Before Termination

Prior to any termination of this lease, all ore mined by the lessee from the demised premises but stockpiled upon other lands and as to which royalty will not have theretofore been paid, shall be shipped by the Lessee.

Section 16 - Lessor's Right to Enter and Inspect Lessee's Operations

The Lessor, its agents and employees, shall have the right at all reasonable times and at their own risk to enter into and upon such part of the demised premises being mined or used by the Lessee for the purpose of inspecting the demised premises and taking all reasonable means to ascertain the condition thereof and the kind, quality and quantity of the ore and minerals remaining therein or mined and removed by the Lessee therefrom, and at their own risk to enter upon any other lands upon which any ore from the demised premises will then be stockpiled by Lessee, for the purpose of ascertaining the kind, quality and quantity of ore thereon, or shipped therefrom, not thereby unreasonably or unnecessarily hindering or interrupting any of the operations of the Lessee; and for said purposes the Lessor, its agents and employees, may enter at their own risk the demised

premises or such other lands through any adjoining or adjacent lands through which the Lessee will have the right to remove such ore.

Section 17 - Lessee to Protect Title

The Lessee shall keep the title to the demised premises, all buildings, equipment, improvements and other personal property placed by the Lessee on the demised premises, and all ore mined or derived from the demised premises, free and clear of any and all liens and other encumbrances arising in any manner whatsoever from or on account of the Lessee's mining operations under this lease.

Section 18 - Indemnities

The Lessee shall protect, indemnify, and hold harmless the Lessor from and against any and all claims made by third parties for injury to or death of persons or damage to property arising from or on account of the Lessee's negligence in its operations under this lease.

The Lessor shall protect, indemnify and hold harmless the Lessee from and against any and all claims made by third parties for injury to or death of persons or damage to property arising from or on account of the Lessor's negligence in its operations on and about the demised premises.

Section 19 - Arbitration

In the event that any disagreement or controversy will arise between the Lessor and the Lessee as to whether any of the Lessee's mining practices conform to the standards stipulated herein, or as to any fact that might affect the determination of royalty payable hereunder, or as to any fact relative to the observance or fulfillment of the terms and obligations hereof by either party, or as to any other matter hereinabove stated to be the subject of arbitration, then either party may demand that such disagreement or controversy shall be determined by arbitration in the manner hereinafter provided.

If and whenever either party desires an arbitration, it shall serve a written notice upon the other, stating in substance the matter or question in dispute that it desires to submit to arbitration and naming a competent person to act as an arbitrator. Within twenty (20) days after the mailing of such notice the party so notified shall appoint a competent person to act as an arbitrator, and the two so appointed shall jointly appoint a third arbitrator. In case either the Lessor or the Lessee will fail to appoint an arbitrator and to serve written notice thereof upon the Lessee or the Lessor within said period of twenty (20) days, or in case the arbitrators appointed by the parties will fail to agree upon a third arbitrator within an additional period of ten (10) days, such arbitrator or arbitrators may be appointed by any person holding the office of United States District Judge for the District of Colorado, upon application made by the Lessee or the Lessor, after ten (10) days' written notice to the other party. Each person appointed to act as an arbitrator shall be a person qualified by experience to hear and determine the matter or question to be arbitrated, and if the nature of such matter or question shall so require, they shall be mining engineers experienced in the mining of iron ore in the Western United States. Said arbitrators, as soon as possible after their appointment, shall meet at a time and place convenient for the parties, after giving to each of the parties not less than ten (10) days' written notice thereof; and after hearing the parties hereto, or such of them as may desire to be heard, in regard to the matter or question in dispute, taking such evidence and making such other investigations as justice shall require and the arbitrators may deem necessary, they shall decide the matter or question submitted to them, make their decision in writing, and serve a copy thereof upon each party. The decision of the arbitrators, or a majority of them, shall be final and binding upon the parties hereto, and they shall immediately conform to and in all respects render full and prompt compliance with such decision. The expenses and charges of the

arbitrators shall be paid by such party, or apportioned between the parties, as the arbitrators shall determine.

Any such notice to be served as aforesaid shall be served by mailing such notice by certified or registered mail deposited in any Post Office in the United States, postage prepaid, addressed to the party to be notified at the address hereinafter specified.

Section 20 - Disputes or Differences Not to Interrupt Performance of Lease

Except as otherwise specifically provided in this lease, any such disagreement or controversy shall not interrupt the performance under this lease nor the continuation of operations hereunder; but such operations may be continued and settlements and payments may be made hereunder in the same manner as prior to the arising of such disagreement or controversy, until the matters in dispute will be finally determined by arbitration as aforesaid, and thereupon such payments or restitutions shall be made as may be required by the decision of the arbitrators; provided, that if the Lessor will claim that an improper method of mining or beneficiation is then being pursued, in violation of the terms of this lease, that is likely to result in great damage or loss before a decision can be reached by the arbitrators, and if such claim will be certified by a reputable independent mining engineer to be well founded, in his opinion, then the method complained of shall be discontinued until the final decision of the arbitrators.

Section 21 - Lessee's Option to Extend Lease

The Lessee shall have the option to extend this lease, with all the provisions thereof, for one (1) additional term of one (1) year. The Lessee shall exercise said option by giving to the Lessor written notice thereof prior to April 1, 1986. Such written notice shall be given by certified or registered mail deposited in any Post Office in the United States, postage prepaid, addressed to the Lessor at the address hereinafter

specified. The Lessor shall acknowledge in writing the receipt of any such notice; but in any event, the giving of such notice shall be deemed complete upon the day of the mailing of the same as aforesaid, and this lease shall be extended as aforesaid, whether or not the receipt of such notice will be so acknowledged.

Section 22 - Lessee's Right to Remove Equipment
Upon Termination of Lease; Lessee to
Surrender Possession

The Lessee shall have three (3) months after the termination of this lease during which to remove all pumps, engines, tools, machinery, rails, structures of every kind and all other property, of every nature and description, erected or placed by the Lessee in or upon the demised premises and on failure within said three (3) months to remove such property, all of the same not removed shall either (a) belong to and become the property of the Lessor or its successors in interest or (b) be removed by the Lessor within six months of the expiration of said three-month period, in which event the cost of such removal shall be charged to the Lessee and the Lessee agrees to pay said cost.

On or before the expiration of said period of three (3) months, the Lessee shall quietly and peaceably surrender possession of the demised premises to the Lessor or its successors in interest.

Section 23 - Compliance with Laws;
Environmental Requirements

Lessee shall do and perform, or refrain from doing, with respect to the demised premises, whatever may be reasonably required for compliance with all valid laws, ordinances, regulations, rules, orders, and requirements (now existing or hereafter enacted, adopted or made) of any and all federal, state, county, and municipal authorities having jurisdiction over the manner in which the Lessee conducts its mining operations in, or use of, the demised premises including the use of other lands in connection therewith; and Lessee shall indemnify and hold harmless Lessor from expense for any liability arising out of any violations by the Lessee regarding said laws, ordinances,

regulations, rules, orders and requirements. Upon the request of Lessor, Lessee will supply evidence of its compliance with any workers' compensation or occupational disease laws.

Any operations of Lessee hereunder may be conducted pursuant to the mining permit currently held by Lessor, which governs the operation of the mine, the lean ore dump and the waste dump, and Lessee shall abide by the terms and conditions of said permit. Lessee shall have access to true, correct and complete copies of said permit at all reasonable times and Lessor shall keep the same in effect throughout the duration of this lease. Lessee shall have the obligation to obtain for itself any other licenses and permits that may be required.

Any obligations with respect to reclamation of the demised premises, including without limitation fees and bonds, shall be the responsibility of Lessor, whether incurred or occasioned by virtue of operations of Lessee or of others and whether incurred or occasioned by operations conducted before, during or after the time that this lease is in effect. Lessor shall indemnify, defend and hold harmless Lessee from all costs and expense, including without limitation attorneys fees, related to the reclamation of the demised premises.

Lessor and Lessee shall promptly notify one another of the pendency of any claims, demands, citations or suits upon receiving knowledge of same, if with respect to which liability may be asserted against the other.

Section 24 - Taxes

Lessee shall be responsible for any sales, severance, occupation or use taxes and all similar taxes, excises or other governmental charges hereafter imposed on its operations hereunder. Lessor shall remain responsible for all real property taxes imposed now or hereafter on the demised premises.

Section 25 - Addresses

For the purposes hereof, the address of the Lessee shall be:

United States Steel Corporation
600 Grant Street - Room 6140
Pittsburgh, PA 15230
Attn: Vice President-Purchasing

or such other place as the Lessee will have last designated in writing to the Lessor; and the address of the Lessor shall be:

CF&I Steel Corporation
P. O. Box 316
Pueblo, Colorado 81002
Attn: Corporate Secretary

or such other place as the Lessor will have last designated in writing to the Lessee.

Section 26 - Mailing of Payments, Reports and Notices

Payments by check and routine or regular periodical reports and statements hereunder may be sent by regular mail addressed as provided in Section 24; and if so addressed and mailed in due season, then if any of the same will not be received when due, the addressee shall notify the addressor of such failure of receipt and give the addressor a reasonable time to follow up and secure the delivery of the payment, report or statement, or to send a duplicate thereof, before claiming any default on account of such failure of delivery. But as to any formal notices of cancellation, default, or termination, or as otherwise provided herein, the same shall be delivered to the party notified either personally or by certified or registered mail to be effective hereunder.

Section 27 - Assignment or Sublease

Except as hereinafter provided, the Lessee shall have no power to assign this lease, nor shall the Lessee have the power to sublet the demised premises, or any part thereof, without the written consent of the Lessor first had and obtained; and any such consent, if given, shall not be construed to be a consent by the Lessor to any subsequent assignment or subletting unless therein expressly so provided; and any such consent, if given, shall not be construed to release the Lessee from any of its obligations herein assumed to said Lessor until and unless the Lessor will in writing consent to such discharge of the Lessee;

provided, however, the Lessee may assign all of its interest in and to the demised premises in connection with the sale or transfer to any other corporation of substantially the entire business and assets of the Lessee at its steel manufacturing facility at or near Geneva, Utah, or in connection with the merger or consolidation of the Lessee into or with any other corporation without such written consent of the Lessor, and as a result thereof the Lessee shall be released from all its obligations to the Lessor upon assumption of such obligations by such other corporation.

Section 28 - Lease Runs with the Land and Binds Assignees

All of the covenants, conditions and provisions of this lease shall run with the demised premises and inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 29 - Law Governing

This lease shall be governed by and be construed in accordance with the law of the State of Utah and the rights and remedies of the parties hereunder shall be determined in accordance with such law, exclusive of the conflicts of laws principles therein contained.

Section 30 - Entire Agreement

This lease sets forth the entire understanding between the parties hereto. No modifications, limitation, waiver or discharge of this lease or any of its terms shall be valid unless made in writing and duly executed by both parties.

Section 31 - Section Headings

The section headings in this instrument are inserted for convenience only and shall not be considered a part of this lease.

IN WITNESS WHEREOF, the parties hereto have duly
executed this instrument in duplicate as of the day and year
first above written.

Attest: Richard K. Leach
Assistant Secretary

UNITED STATES STEEL CORPORATION

By G. B. Keagle

Attest: A. R. Coates
Assistant Secretary

CF&I STEEL CORPORATION

By J. J. Gallick

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY) SS:

On this 30th day of April, 1985, before me, a Notary Public within and for said County and Commonwealth, personally appeared G. B. KEAGLE, to me personally known, who, being by me duly sworn, did say that he is Director-Purchasing of UNITED STATES STEEL CORPORATION, a Delaware corporation, the corporation named in the foregoing instrument; and acknowledged said instrument to be the free act and deed of said corporation.

Lucia M. Slater

SANDRA M. SLATER, Notary Public
PITTSBURGH, ALLEGHENY COUNTY
COMMONWEALTH OF PENNSYLVANIA
MY COMMISSION EXPIRES
JANUARY 2, 1989

STATE OF)
) SS:
COUNTY OF)

On this 3rd day of May, 1985, before me, a Notary Public within and for said County and State, personally appeared F. J. Yaklich, Jr., to me personally known, who, being by me duly sworn, did say that he is President of CF&I STEEL CORPORATION, a Colorado corporation, the corporation named in the foregoing instrument; and acknowledged said instrument to be the free act and deed of said corporation.

Amelia V. Smith.

Amelia V. Smith, Notary Public
1404 E. 8th St.
Pueblo, CO 81001

My commission expires: May 16, 1987

Re Mining lease Agreement: 4-1-65

CF&I Corp Sesser

U.S. Steel Sesser

Constance Pit, Iron Co., CT

ACT/02/005

I think DOGM is OK with
CF&I, as the new lease is a
short term lease to US Steel, not
a new assignment of CF&I's lease
and reclamation responsibility to
U.S. Steel.

I'll advise CF&I by

letter LRB 5-16

Please see if
we need to ask for
additional info
from CF&I or USSC.

for

① P11, Sec 17-18 no title
change

② P14 E/S Sec 23 - contract
states lessor to go for ~~reclamation~~

& lessor indemnified from reclamation
costs ... ∴ No change in permit req'd
(no change in responsibility)